

Message Text

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43

ORIGIN ARA-10

INFO OCT-01 ISO-00 SS-15 SP-02 INR-07 PM-04 EB-07 L-03

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DRAFTED BY ARA/EP:WSCLARKE:JH

APPROVED BY ARA/EP:JFKING

ARA/PLC:SQUIGG

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P R 141713Z NOV 75

FM SECSTATE WASHDC

TO AMEMBASSY QUITO PRIORITY

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L STATE 270206

STADIS////////////////////////////////////

E.O. 11652:GDS

TAGS: PFOR, MILI, EC

SUBJECT: ECUADOREAN PAYMENT ARREARAGES

1. DEPARTMENT LEARNED TODAY THAT GOE IS CONSIDERABLY IN ARREARS ON PROGRESS PAYMENTS REQUIRED PER QUOTE DEPENDEABLE UNDERTAKING END OF QUOTE SIGNED WITH USAF IN AUGUST 1974 FOR PURCHASE OF 12 A-37 AIRCRAFT. MATTER WAS RAISED IN NOVEMBER 13 NATIONAL ADVISORY COUNCIL MEETING CONSIDERATION OF EXPORT-IMPORT BANK LENDING IN CONNECTION WITH GUAYAQUIL PORT EXPANSION PROJECT. ALTHOUGH WE UNDERSTAND NAC CONTINUES TO VIEW FAVORABLY EX-IM PARTICIPATION IN THAT PROJECT, IT IS LIKELY THAT A-37 DEBT PROBLEM COULD WELL INTERPOSE A BAR TO ANY FUTURE COMMITMENTS MADE BETWEEN EX-IM AND GOE.

2. ACCORDING TO USAF, TOTAL DEBT ON A-37 PURCHASE A/O NOVEMBER 30, 1975, WILL BE 9.4 MILLION DOLLARS. ARREARAGE
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OF 2.5 MILLION DOLLARS CITED BY TREASURY REP IN NAC MEETING

REFERS TO 90-DAY ARREARAGE A/O JUNE 30. USAF REPORTS NO REPLIES TO ITS INQUIRIES. NO AIRCRAFT HAVE BEEN DELIVERED, ALTHOUGH SOME SPARE-PART DELIVERIES HAVE BEEN MADE.

3. FAILURE OF GOE TO ACKNOWLEDGE CORRESPONDANCE AND LACK OF FIRM ARRANGEMENTS TO SETTLE MATTER WILL LEAD TO FURTHER DIFFICULTIES IN THE NAC. EMBASSY REQUESTED TO LOOK INTO MATTER AND TO SUGGEST APPROPRIATE ACTIONS TO RELIEVE SITUATION. KISSINGER

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Message Attributes

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Copy: SINGLE
Draft Date: 14 NOV 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
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Margaret P. Grafeld
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